



# Space and Naval Warfare Systems Center Atlantic

**Small Business and Industry  
Outreach Initiative (SBIOI)**  
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# Navigating the Fiscal Challenges

- ▼ Now more than ever we need you as industry partners to continue to be agile, innovative and efficient. We need you to be adaptive to change.

**We cannot do  
what we do  
without you**



# Today's Reality

## Continuing Resolution and Sequestration = Whitewater



# “Continuing Resolution and Sequestration ”

## What Does this Mean – How We Got Here

- ▼ **Tier A- Continuing resolution:** An appropriations legislation Congress uses to fund government agencies when a formal appropriations bill is not signed into law by the end of the fiscal year
  - Prevents the interruption of government services
  - Funds remain at previous year's levels
    - Does not cover new programs
    - Does not allow for any planned growth
    - Does not allow funds transfer

- ▼ **Tier B- Sequestration:** A fiscal policy procedure adopted by Congress to deal with the federal budget deficit
  - Reducing the deficit by an additional \$1.2 - \$1.5 trillion over 10 years
  - Requires automatic cuts “sequestration”
  - Delayed to 1 March 2013 by the American Taxpayer Relief Act of 2012

**“...it is more likely than unlikely that we'll actually have to do this,... We are serious about being ready.”**

Deputy Defense Secretary Ashton Carter  
29 January 2013



**The DoD's challenge is addressing both Continuing Resolution and Sequestration in 6 months of execution**

# Slowing the Burn

**Navy leadership is dedicated to preserving our nation's forward-deployed readiness and protecting pay and benefits for active duty Sailors and their families.**

## **Tier A- Continuing resolution (\$4.6B)**

### ▼ Cost reduction initiatives include:

- Hiring freeze
- Government-sponsored conferences postponed
- All Non-Mission essential travel and training minimized
- Reduce ship availabilities and aircraft maintenance
- Reduce ship operations and flying hours

## **Tier B- Sequestration (\$4B)**

### ▼ Cost reduction initiatives include:

- Cancel several deployments
- Cut all exercises (e.g., MALABAR, CARAT, FOAL Eagle)
- Reduce port visits
- Furlough most civilians for 22 work days (OSD level decision)
- Defer emergent repairs
- Cancel community outreach programs
- Significantly reduce flight hours

**“ If sequestration happens, it's a whole different ballgame” - CNO**



# What can we do?

- ▼ Accept reality
- ▼ Make decisions and own consequences
- ▼ Execute
- ▼ Collaborate and Innovate
- ▼ Never forget why we are here
- ▼ Take care of each other





# We Make IT Count for the Warfighter and the Nation



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